



GODDARD SPACE FLIGHT CENTER

## Leadership in the New Economy

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### Remarks at the September 21, 2000 Center Director's Colloquium

Good morning and thanks very much for the opportunity to spend some time with you today.

I've been asked to say a few words about leadership.

I think the place to start is with a basic question ... "What *is* it?"

The answer is ... I don't know.

I don't believe anybody does. But when you look at the fact that leadership has created a growth industry in speaking fees, tapes and books ... there are a lot of people trying to figure it out.

The problem with defining leadership is that it happens in so many places ... in taking your kid's little league team to a championship ... in building an Internet communications company ... in floating around in a frozen vacuum and fixing the Hubble telescope.

All valid arenas for leadership ... all very different.

OK .. let's skip the definition ... and go to a set of rules.

Sorry ... same problem there.

How can you apply rules to something that is so difficult to define?

So that leaves us in the realm of observation and experience.

Which is really where any discussion of leadership belongs.

It's like the management professor who spent a career studying how to spot leaders.

He concluded that the best way to do it is to look behind them and see if anybody is following.

Rather than getting hung up in definitions and lists, it's more important to recognize what leadership looks like in action.

So in my time with you today ... I'll be staying inside the boundaries of observation and experience ... while I try to describe what I've learned by watching and taking part in the action over a 30 year career.

I want to organize that job in just two parts.

First ... how economic and human evolution are changing what we thought we knew about leadership.

Second ... some thoughts on the current job description and personal attributes of an effective leader.

As I thought about leadership and change, I realized on the one hand that we are in very different businesses.

I'm in the business of expanding the frontiers of information.

You are in the business of expanding the frontiers of space.

But we have something in common.

About 300 years ago, Isaac Newton's First Law of Motion told us that "Every body continues in its state of rest or of uniform motion in a straight line, except in so far as it is compelled to change that state by forces imposed on it."

It's the law that gets rocket ships in the air.

And it governs the revolution in information.

Information is imposing forces on everything we know or thought we knew.

The industrial revolution isn't even in the same ball park ... maybe not even the discovery of the new world.

New age networks are giving us new ways to move information ... and out of that is coming new forms of social organization ... and out of that is coming new ways of thinking about leadership.

It's *changing* us.

We're better informed.

We know things sooner.

We can talk to more people in more places.

We're better organized.

And everything is moving faster.

For leaders and the whole notion of leadership, this is causing some fairly radical adjustments.

.Now, let's stir this cocktail up with a few other ingredients ... like globalization ... like the fact your toughest competitor next week can be one you didn't even know about last week ... like a growing gap between the supply and demand of talent ... like the career mobility that has turned the words ...quote ... company loyalty into an oxymoron.

Now shake all that up, and you have a recipe for some radical new demands on leaders.

... which brings me to my second point ... how has the job description of leadership changed.

I think the first thing we learned is the difference between a manager and a leader.

I think the best object lessons I ever saw in the difference between leadership and management was early in my career at AT&T.

It was a memo that went out about the importance of innovation ...and fresh approaches ... and shifting paradigms ... and so on.

And attached to the memo was a six point process for making our organizations more creative.

Now ... leaders thought that was pretty funny.

Managers wanted a copy of the memo.

Managers deal with complexity ... they create plans ... they build budgets ... they impose order and control.

Leaders, on the other hand, cope with change. They create alignments. They set directions.

Most of all, they create vision and they inspire the confidence that the vision can and will be achieved.

The question is ... how do you do that?

Lyndon Johnson had a great line when he was asked to define a leader.

He said ... "a leader is someone who ... if you cross them ... can do something terrible to you."

And I think that to one degree or another, the fear of something terrible was the operating principle of leadership for most of the century.

We've always climbed to the next level by standing on the shoulders of the previous generation.

In ideas about leadership ... and in some very fundamental ways ... the previous generation can't help us.

In fact, a lot of what they knew and taught is worse than irrelevant ... it's destructive.

Yet, a lot of it is still very valid ... but has to be applied in new ways.

We're caught somewhere in the gray area between Doug McGregor's theory of X and Y management.

That theory, if you'll recall, was the very popular separation of management styles into X ... which is command and control and Y ... which is collaboration and empowerment.

We know that the collaboration and empowerment of Y makes sense.

But we're not ready to let go of the command elements of X ... and have a nagging suspicion that there will always be a healthy dose of X in all effective leaders.

And that leaves many leaders feeling like they have one foot on the dock and one foot in the boat ... and the boat is starting to move out into the lake.

Fear of reprisal was one point of leverage in the past.

Another one was ownership of information.

Like many of you, I have an engineering background. And I spent a lot of my formative education and management years amassing content.

The content advantage has changed for two important reasons.

One ... more people can access it.

Two ... it changes so fast that we're all learning as we go.

So ... if you remove the advantage of fear and information ... then the job description of a leader is much more holistic ... and much more fluid ... and, as a result, it's much more difficult.

Now, the description includes being a communicator ... motivator ... visionary ... creator of symbols ... *destroyer* of symbols ... along with the usual work of setting strategy, driving execution and keeping happy those warm and friendly folks on Wall Street.

And I think for the foreseeable future, a leader must also be something else.

There is an old proverb that says whoever would be a leader must also be a bridge.

And I think the special relevance of that today is that any leader today has to span the divide between how things were done before ... and how they are done now ... and how they will be done a week from now.

In some ways that is just as hard for the newest dot com billionaire, as it is for the leader of an icon of the old economy.

Because we're all part of a continuum ... and there is much to be gained from all the stops along the way.

If you want to pick a single point when all the demands of a new leadership job description come together ... it's in creating one organization out of two.

Believe me ... in the combination of Qwest and US West ... I've seen it up close and personal.

Creating a vision ... motivating ... creating and destroying symbols ... it's all in a very difficult day's work.

The vision was clear ... at least to us.

The communication was tougher.

We saw an Internet company combining with a telecom company with some great technologies and a huge market cap.

... to create an Internet company with the new muscle and reach to compete with anyone anywhere in the world.

Wall Street saw was a 30 percent growth rate combining with a 12 percent growth rate.

Our stock took a hit ... but I think we have spent enough time communicating the vision ... that even the cynics are starting to see the light.

As for employees ... the acquisition brought up the most human of all questions ... "What does this mean for me?"

Frankly ... for several thousand people .. it means they don't have jobs.

For others, it means they have more competition.

For others, it means they have more opportunity.

The message here has been one of meritocracy.

We have said loudly and repeatedly that it's not where you came from, what's important is what you bring to the table.

Now granted, the communications here are made a lot tougher because the company we acquired is losing more people than Qwest is ... but then, they had more areas where the cutting was necessary.

But of the top \_\_ people in the company today, \_\_ are from U.S. West.

Aside from the financial and technical work ... one of the biggest jobs in a major combination is managing symbols.

In times of uncertainty, everybody looks for signs.

And we want to make sure the signs are clear and consistent.

Qwest is new and lean ... U.S. West is established, the child of a monopoly, and with many of the perks and niceties that old, established companies seem to accumulate.

We have been very quick and very public in getting rid of the fleet of planes, reassigning the administrative assistants, reconfiguring the office space and so on.

Some things were big. Some were small. They all count.

One of the first things we did was change the signs in Denver ... even if we had to put a plastic sheet with a big Q over the US in US West.

And we also moved fast to set the priorities.

I won't subject you to a review of our strategies, because that's not the point.

The point is focus.

We believed that things like vision and mission statements are important as far as they go.

But we wanted to inject the culture with something more tangible ... and more immediate.

We found our most powerful symbol in the work to be done.

We said: here are the 10 things that are important in 2000.

If what you're doing doesn't contribute to one of those 10 things, you should worry.

There is one more item on the new leadership job description that complicates and changes all the others.

And that is speed.

When you look at my industry, you would think that the race to own the Internet communications market would have gone to the incumbents almost by default.

They had the money ... they had the brand names ... they had the infrastructure ...

But what they didn't have is the reaction time.

I've said for a long time that a company like Qwest should have never been allowed to exist.

Somebody should have taken us out.

We were a little like Jack Dempsey ... who happens to be from Colorado.

He was all of 170 pounds ... and he won more than 60 of his fights in the first round.

He once said ... "If I didn't get them in the first round ... they would have killed me."

So we came out swinging and moving fast.

We wanted to get to the competition before they realized they were in a fight.

We built the world's most advanced network ... and created alliances with the best technology and applications companies ... repeated the whole process in Europe ... and are getting ready to move in the Far East ... all in about three years time.

And now ... the incumbents are faced with playing catch up to companies like Qwest that ... not that long ago ... they hadn't even heard of.

Now here is where the job description gets especially interesting.

You can't grow that fast and be in control.

It means constantly operating at the edge of chaos.

Mario Andretti once said that ... "If you're in control of the race car, you aren't going fast enough."

And there is no doubt that today, you have to be willing to slide into the turns ... even if that means an occasional spinout.

It's funny ... Qwest has actually been criticized because we've changed our strategic direction three times since we were created.

Four years ago we said we were the carrier's carrier ... selling capacity to others.

Now we're going after market leadership in worldwide broadband Internet communications and applications services"

We want to revolutionize the way the world communicates by enabling the exchange of multimedia communications on one of the most dominant Internet network platform in the world.

That's a big jump in aspirations.

But when you look at what we've done, it's not lack of direction.

It's a fast-forward evolution.

We see where the market is going ... and we get there first. If that means we tear up the plans and re-do them ... fine. We're not afraid to do that.

As soon as we saw that sheer capacity would be come a commodity, we turned the company toward creating the applications and consulting that will help customers use that capacity to create the revolution.

It was Jack Welch who said that when the rate of change outside exceeds the rate of change inside, then the end is in sight."

He's absolutely right. You've got to change faster than your environment ... and the environment has never changed faster in the entire history of business.

While a leader today can't expect to exercise control ... he or she *must absolutely* create order.

Control and order ... two very different things.

To me ... order comes directly from accountability.

Set the direction ... forge the common commitment ...put the people in place who can do the heavy lifting ... and then create a no excuses environment where everything comes down to one question ... "Did you get it done or didn't you?"



From there, you go to two more questions. "If you got it done ... how can you do it better the next time? If you didn't get it done, why not and what are you going to do about it?"

Here is where the new ... kinder, gentler face of leadership has to maintain a hard edge.

Teams are great ... open expression is great ... self-actualization is great.

But at the end of the day ... someone has to be the boss.

I read an interview recently with Admiral Louise Wilmot. When she retired in 1994, she was the Navy's highest-ranking woman.

Let me read a few of her thoughts on authority.

"Life is made up of a hierarchy of people ... many of whom have earned positions of authority over us. There is nothing wrong with arrangement. Anything less is anarchy.

"When done right, leadership gives the individual flexibility, creative input, and control of the work environment commensurate with his or her ability. The only thing missing is the whining.

"When did organizational management take on the trappings of a baby shower? Do we have to engage I 'warm-in-the-tummy' games to work as a unit?

"Somewhere between kindergarten and graduate school, I learned to communicate with my co-workers with out making a big apple pie circle first."

In his book, My American Journey, Colin Powell put it another way. "Being responsible, "he said," sometimes means pissing people off." (Joe probably won't say this, but it might be worth a shot since this is a closed meeting. If not, can go right to next paragraph.)

He said "Some people will get angry at your actions and decisions. It's inevitable if you're honorable. Trying to get everyone to like you is a sign of mediocrity. And, he added, it's a sure way to anger your most creative and productive people."

That's a lesson I learned a long time ago. I've been called blunt. I've been called direct. I've even been called abrasive.

I can deal with that.

But call me compliant or laid back or easy going ... then I do have a problem.

Maybe when you grow up in Brooklyn, a little attitude comes naturally.

As a leader, I believe you have to treat people with respect.

But if you want respect yourself ...sometimes you have to be the hammer.

It simply comes with the job description.

So ... on the one hand ... we have the leadership demand of breaking out of the strict do it my way or get out hierarchy ... and drawing on the skills and experience at all levels of an organization.

One the other, we have the responsibility of keeping the organization moving in one direction ... and probably faster than it wants to go.

What do those seeming contradictions demand in the personality and behavior of a leader?

I promised you there would be no lists of does and don'ts.

Just observations.

And some of them are obvious.

I believe any effective leader today must be a communicator ... you have to talk often ... you have to talk in detail ... you have to put in as much time face to face.

You have to become not just a name and a title ... but a very real presence in the lives and minds of the people you hope to lead.

I've always thought walking the halls and dropping in on people is not only a waste of time ... it's transparent.

"Oh oh, it looks like the boss is reading management books again."

But you have to go to the meetings. You have to stand up in front of the people you're asking to believe you. If you begin to communicate via memo and video ... you're in trouble.

You also have to have a deep and experienced understanding of what motivates people ... and you have to have just as deep an understanding of what motivates *you*. I think you have to identify your own drivers ... and make sure they are built into your job.

You need the ability to build around you a network of people who can do things better than you can ... and you have to have the confidence to rely on them.

You have to have an innate ability to simplify the complex down to a series of actions ...and you have to have extreme flexibility in how you go about executing those actions ... because more often than not, you'll be working with shades of gray -- not black and white.

There will always more issues and opportunities than there are resources to throw against them ... so you have to become very good at allocation. It's an ability to juggle that you must also instill in the people you count on.

Another critical need is something former Senator Bill Bradley once said. When he was with the Knicks, he had this patented shot.

He'd go deep in the corner with his back to the basket ... usually when the game was on the line ... spin ... and almost in a single motion, he'd let the ball go ... and it usually went in.

He was asked how he did it ... and he said ... "It takes a sense of where you are."

I've always liked that phrase.

I think any leader has to have rock-solid sense of place and direction ... because there are so many forces at play that can knock you off course.

And there are other requisites ... integrity ... bold thinking ... creative thinking ... solid values ... and so on.

But I wonder sometimes ... is there any one attribute of leadership that stands out above all others?

I think there is. The word is genuine.

Some the best advice I ever heard is ... "Know who you are, and be it."

I don't think there has ever been a time in the whole history of leaders and followers ... when the followers were more cynical.

The definition of a cynic is someone whose rose colored glasses have been broken half and stepped on.

And by that measure, there is a lot of *reason* for cynicism.

One leader after another has looked directly into the camera ... and lied.

Authority used to come with a huge benefit of the doubt. That's gone.

I think Lech Walensa had one of the great leadership quotes of all time when he said "there is a declining market for words."

We're tired of words. We've been let down by words. We're all hungry for substance.

If people get the slightest hint that there is a gap between what you say and who you are ... you've lost them ... at least the best ones.

**You'll have no *authenticity*.**

**Without that, people will react to the power you wield, rather than the leadership you provide.**

**... which means you are in deep, deep trouble. Because power, alone, can't create belief.**

**And whether it's the new economy or the old economy ... in the past or right now ... creating belief is what leadership is all about.**

**Thank you.**

**Now lets get to the good part ... where I stop talking and you start.**

**Questions?**